

APR 1 2 2012

SECRETARY, BOARD OF OIL, GAS & MINING

# BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER SUSPENDING APPLICATION OF CERTAIN OF THE BOARD'S ORDERS IN THE CAUSE NO. 179 SERIES AND UTAH ADMIN. CODE RULES R649-3-2, R649-3-10 AND R649-3-11 (1) AND (2) INSOFAR AS THEY PERTAIN TO LANDS WITHIN THE PONDEROSA FEDERAL EXPLORATORY UNIT COVERING PORTIONS OF TOWNSHIPS 9 AND 10 SOUTH, RANGE 23 EAST, SLM, UINTAH COUNTY, UTAH

# MOTION FOR LEAVE TO FILE PETITIONER'S EXHIBITS T AND U OUT OF TIME

Docket No. 2012-016

Cause No. 179-17

COMES NOW, Petitioner Kerr-McGee Oil & Gas Onshore LP ("KMG"), acting by and through its attorneys, Beatty & Wozniak, P.C., and pursuant to Utah Admin. Code Rule R641-105-300, and hereby requests the Board of Oil, Gas and Mining (the "Board") for leave to permit the following additional exhibits to be filed in this cause:

- EXHIBIT "T" Lateral Variability of Sand Bodies, Subsurface Examples 1 and 2 (2 pages), inadvertently omitted from the Exhibits filed on March 27, 2012.
- **EXHIBIT "U-1"** True and correct copy of BLM letter dated April 9, 2012 granting formal approval of the Ponderosa Unit Agreement (2 pages).
- EXHIBIT "U-2" True and correct copy of BLM letter dated April 9, 2012 granting approval of the Initial Wasatch-Mesaverde Formation Participating Area "A" of the Ponderosa Unit (2 pages).

Exhibits filed later than 30 days before the scheduled hearing date may be allowed by the Board upon good cause shown (*see* Utah Admin. Code Rule R641-105-500). The hearing on this matter is scheduled for April 25, 2012. At this time, there are no adverse parties or any other parties that have made an appearance in this matter. The additional exhibits do not alter KMG's analysis or conclusions; they enhance the record. As a consequence, and for the reasons outlined above, KMG respectfully requests this Motion for Leave be granted and the attached Exhibits "T" and "U" be filed in this Cause.

Respectfully submitted this 12th day of April, 2012.

BEATTY & WOZNIAK, P.C.

By:√

Relma M. Miller, Esq.

7440 Creek Road, Suite 300

Sandy, UT 84093

Telephone: (801) 566-8446

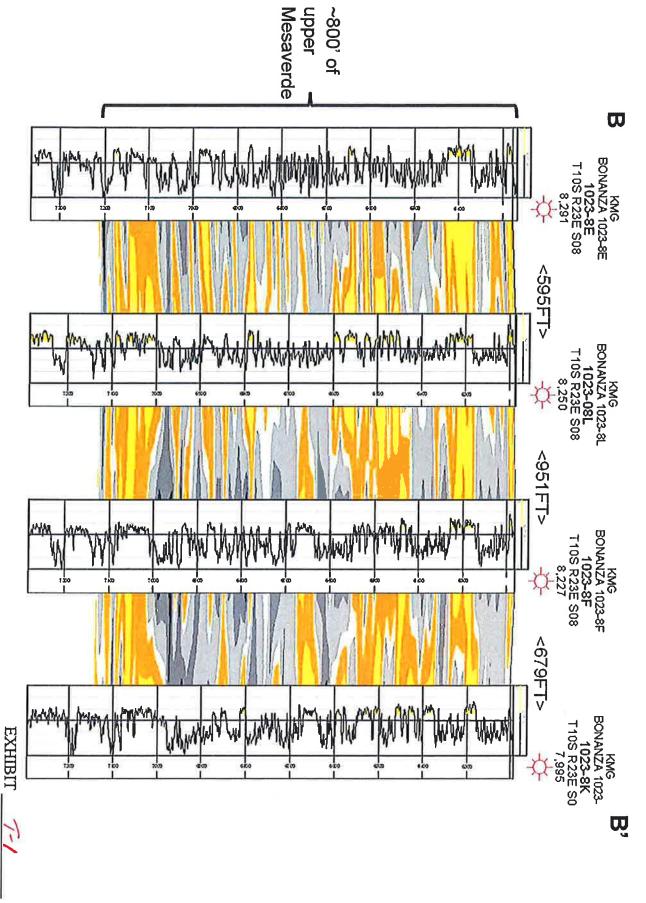
Facsimile: (801) 566-8447

E-Mail: RMiller@bwenergylaw.com Attorneys for Petitioner Kerr-McGee Oil

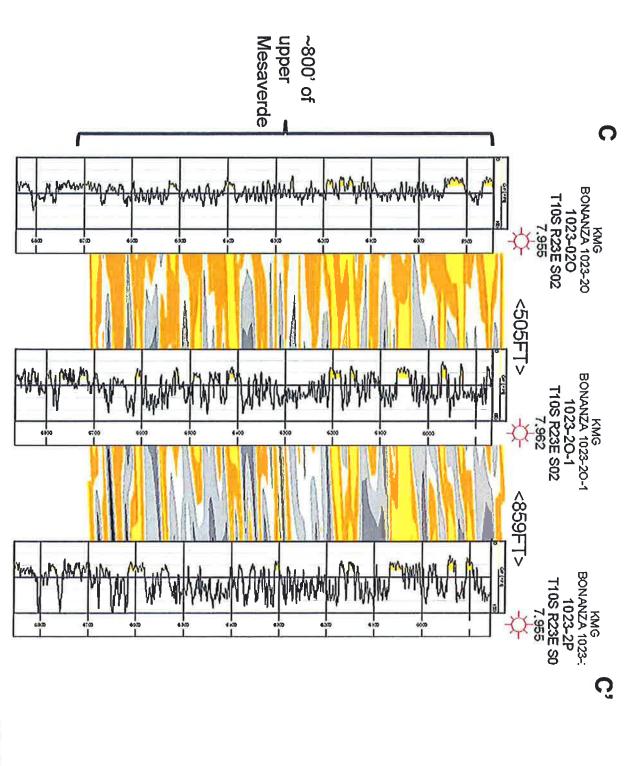
& Gas Onshore LP

2031.286 228730

# Lateral Variability of Sand Bodies: Subsurface Example 1



# Lateral Variability of Sand Bodies: Subsurface Example 2



EXHIBIT



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

APR 0 9 2012

IN REPLY REPER TO 3180 (UTU88209X) UT922100

Kerr-McGee Oil & Gas Onshore, LP c/o LimpusJones, Inc.
111 South Kentucky Avenue
Roswell, NM 88203-4518

Dear Ms. Limpus Jones:

The Ponderosa Unit Agreement, Uintah County, Utah, is effective May 1, 2012, pursuant to Section 20 of the unit agreement. This agreement has been designated No. UTU88209X.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

### The basic information is as follows:

- 1. The area to be unitized and form of unit agreement was approved under the unit plan regulations of December 22, 1950, and by Bureau of Land Management (BLM) letter of December 5, 2011, as amended January 19, 2012.
- 2. A unit operating agreement was not submitted as Kerr McGee is the sole working interest owner in the unit area.
- 3. All formations are unitized.
- 4. The unit area embraces 10,028.57 acres, more or less, of which 9,066.25 acres (90.40 percent) are Federal lands; 962.32 acres (9.60 percent) are State lands.

The following leases embrace lands included within the unit area:

| *UTU40736 | UTU38425 | UTU38420  | *UTU33433 |
|-----------|----------|-----------|-----------|
| UTU72028  | UTU38426 | UTU38421  | UTU37355  |
| UTU73450  | UTU38427 | UTU38423  | *UTU38261 |
|           | UTU38428 | *UTU38424 | UTU38419  |

<sup>\*</sup> Indicates lease to be considered for segregation by the BLM pursuant to Section 18(g) of the unit agreement and Public Law 86-705.

All lands and interests are fully committed.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources.

A Certification-Determination signed by the School and Institutional Trust Land Administration for the State of Utah is attached to the enclosed Ponderosa Unit Agreement.

Copies of the approved agreement are being distributed to the appropriate Federal offices. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,

Roger L. Bankert

Chief, Branch of Fluid Minerals

Enclosure

cc:

UDOGM SITLA

ONRR w/Exhibit B (Attn: Leona Reilly)

BLM FOM - Vernal w/enclosure



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

APR 0 9 2012

IN REPLY REFER TO 3180 (UTU88209A) UT922100

Kerr-McGee Oil & Gas Onshore, LP Attn: Mr. Joseph D. Johnson 1099 18<sup>th</sup> Street, Suite 1800 Denver, CO 80202

Re:

Initial Wasatch-Mesaverde Formation

PA "A"

Ponderosa Unit Uintah County, Utah

Dear Mr. Johnson:

The Initial Wasatch-Mesaverde Formation Participating Area "A", Ponderosa Unit, UTU88209A, is hereby approved effective May 1, 2012, pursuant to Section 10 of the Ponderosa Unit Agreement, Uintah County, Utah. The Participating Area results in 10,028.57 acres.

Your submitted exhibits "A" and "B" required by the unit agreement are found acceptable and hereby approved.

For production and accounting reporting purposes, all submissions pertaining to the Initial Wasatch-Mesaverde Formation Participating Area "A" shall refer to UTU88209A.

A copy of the approved request is being distributed to the appropriate field office and one copy is returned herewith. Please advise all interested parties of the establishment of the Initial Wasatch Mesaverde-Formation Participating Area "A", Ponderosa Unit, and the effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,

Roger L. Bankert
Chief Brond Chief, Branch of Minerals

Enclosure

**UDOGM** cc;

SITLA

ONRR w/Exhibit B (Attn: Leona Reilly)

BLM FOM - Vernal w/enclosure

## BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER SUSPENDING APPLICATION OF CERTAIN OF THE BOARD'S ORDERS IN THE CAUSE NO. 179 SERIES AND UTAH ADMIN. CODE RULES R649-3-2, R649-3-10 AND R649-3-11 (1) AND (2) INSOFAR AS THEY PERTAIN TO LANDS WITHIN THE PONDEROSA FEDERAL EXPLORATORY UNIT COVERING PORTIONS OF TOWNSHIPS 9 AND 10 SOUTH, RANGE 23 EAST, SLM, UINTAH COUNTY, UTAH

## ORDER GRANTING LEAVE TO FILE ADDITIONAL EXHIBITS OUT OF TIME

Docket No. 2012-016

Cause No. 179-17

The Board of Oil, Gas and Mining, having fully considered Kerr-McGee Oil & Gas Onshore's ("KMG's") Motion for Leave to File Petitioner's Exhibits T and U Out of Time filed on April 12, 2012, and finding good cause therefore, hereby grants said Motion and authorizes the addition of the Exhibits "T" and "U" attached to the Motion to the Exhibits currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

| DATED this day of April, 2012 |   |
|-------------------------------|---|
|                               | STATE OF UTAH<br>BOARD OF OIL, GAS AND MINING |
| Ву:                           | James T. Jensen, Chairman                     |

### CERTIFICATE OF SERVICE

The undersigned certifies that she caused true and correct copies of the foregoing Motion For and attached Proposed Order Granting Leave to File Additional Exhibits Out of Time to be mailed, properly addressed and postage pre-paid, to each of the following parties this 12<sup>th</sup> day of April; 2012:

United States of America
Bureau of Land Management
Utah State Office
Attn: Roger L. Bankert
Chief-Branch of Fluid Minerals
P.O. Box 45155
Salt Lake City, UT 84145-0155

State of Utah School and Institutional Trust Lands Administration Attn: LaVonne Garrison Assistant Director, Oil and Gas 675 East 500 South, Suite 500 Salt Lake City, UT 84102

United States of America
Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

Relma M. Miller

RMM 2031.0286 228730